**Bad Loans of Punjab and Sind Bank**

3006. SHRI GAYA SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attentin has been drawn to the news-item appearing in Hindustan Times dated 3.6.98 regarding bad loans worth Rs. 700/- crores of Punjab and Sind Bank;

(b) if so, the persons/firms against whom these bad loans were outstanding; and

(c) what action has been taken against the officials responsible?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAN): (a) Yes, Sir.

(b) Under the existing secrecy laws, the names of the borrowers cannot be disclosed. However, the two accounts viz. M/s. Arnica International and M/s. Arco Exports mentioned in the News Item have been classified as NPAs as on 31.3.98. The bank has filed a civil suit against the proprietor/guarantor besides a criminal complaint.

(c) Punjab & Sind Bank has reported that in view of the deficiencies in operations of these accounts, two branch managers have been placed under suspension.

**Disciplinary action initiated against Employees for Misutilising Housing Loan**

3007. SHRI JALALUDIN ANSARI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that disciplinary action was initiated against award staff employees and officers on account of misutilisation of housing loan in State Bank of Indore in 1995 and 1996;

(b) whether it is also a fact that award staff employees were penalised while officers were set free for the same charges of misutilisatin of housing loan; and

(c) if so, in what way Government propose to deal with such discrimination and favouratism in disciplinary action by higher Management of State Bank of Indore?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAN): (a) to (c) The information is being collected and to the extent available will be laid on the Table of the House.

**Irrecoverable Advances in State Bank of Indore**

3008. SHRI JALALUDIN ANSARI: Will the Minister of FINANCE be pleased to state:

(a) whether it is fact that funds of crores of rupees have become bad debts in Connaught Circus, New Delhi and Industrial Finance Branch (IFB), Karol Bagh of State Bank of Indore in Delhi;

(b) whether any accountability has been fixed of those officers who have disbursed and sanctioned such irrecoverable advances; and

(c) whether Government would take any action against the officers who caused so heavy loss to the Bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAN): (a) RBI's data monitoring system does not generate branch-wise information. However, NPAs of State Bank of Indore for the last three years (latest available) are given below:—

(Rs. in Crores)

| | Gross NPAs | %age of gross advances |
|---|---|---|
| 1994-95 | 199.01 | 15.28 |
| 1995-96 | 218.84 | 14.20 |
| 1996-97 | 266.76 | 15.81 |

(b) Staff accountability is looked into by RBI at the time of Annual Financial Inspection, Banks also look into the staff